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UNCLAS KATHMANDU 002442

SIPDIS

DEPT FOR CA/FPP; DEPT PLEASE ALSO PASS TO KCC
POSTS FOR FRAUD PREVENTION MANAGERS, DHS, LEGATT

SENSITIVE

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TAGS: [KFRD](#) [CVIS](#) [CPAS](#) [CMGT](#) [ASEC](#) [NP](#)

SUBJECT: NEPAL: DOCUMENT VENDORS ARRESTED

1. (SBU) Nepal Police (NP) arrested a group of six collaborating document vendors in mid-October and a single fraudulent document vendor on November 5, 2005. In both cases, NP gave Post's Fraud Prevention Manager (FPM) and Senior Fraud Prevention FSN (FPFSN) access to exemplars of the documents the vendors had produced. In both cases, the majority of documents were made for those seeking employment overseas (Nepalese academic certificates, Indian drivers' licenses, character certificates, etc.). In the former case, the vendors had produced a text template for three U.S.-visa foils with complete bio info, as well as draft letters about Maoists threats clearly intended to support an asylum claim. Police who had interviewed November arrestee told FPM that they believed his customers were all Nepalese seeking work or visa qualifications.

2. (SBU) According to police, in both cases, the vendors scanned genuine documents and then used a graphics program, Macromedia Freehand, to alter the documents. However, the vendor arrested in November, a 36-year old former printing press operator named Mitra Prasad Dhungana, had also used chemicals and negative projection to produce plates to make his own academic certificate blanks (rather than the fake paper stock or the manipulated originals we normally see). Dhungana used high-quality paper stock, and his production quality was quite good. Most troubling, Dhungana was arrested with 90 government-office stamps, including the stamp used by Police Headquarters on character verification certificates, and a stamp used by the Indian Embassy in Kathmandu.

3. (SBU) Police complained to FPM and FPFSN that, at best, Dhungana would be convicted for a maximum of two years and a maximum fine of 9,5000 rupees (approx. USD 126). With such low penalties under Nepalese law, they noted, anyone would choose to keep producing fake documents. Dhunagan had been arrested and released once before about one year ago. However, police were hoping that a detailed investigation of his behavior might lead to other charges this time.

COMMENT

4. (SBU) Unfortunately, the police are correct that, with such lenient laws in place, the crime of fraudulent document production pays. (Vendors can make up to 75,000 rupees (USD 1,000) for a set of high-quality fake academic transcripts -- this in a country where the per capita GDP is about USD 240 (18,000 rupees). As such, arrests appear to be simply the price of doing business.) Paging through the documents produced by both sets of vendors, it was clear to us that their handiwork had been seen in the consular section during student visa and diversity visa interviews.

5. (SBU) Close cooperation between the Embassy's Fraud Prevention Unit and the Special Branch of the Nepal Police (a unit within the Criminal Investigation Division that works with Diplomatic Missions) led to the arrest of two other document vendors in the last 12 months. As a result of the relationship built through this cooperation, police provided the Embassy exemplars from the first arrest, and promised to provide the same from the Dhungana arrest.

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